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# Explaining the presence and absence of Spanish farm cooperatives before 1936: a political economy approach

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### **Abstract**

Spanish farm cooperatives were limited in number and performed poorly before the Civil War. Rather than a lack of trust and social capital, this paper advances two alternative arguments. First, cooperatives often failed to offer the optimal level of scale to farmers for their day-to-day activities. In some case cooperatives were too large, which encouraged more informal forms of organization. When they were too small, greater scale could only be obtained by integrating cooperatives into federations. These required top-down support, which was provided in many European countries by landowners and the Church, as a result of competitive politics, that required them to build mass parties and organize small farmers politically. By contrast in Spain this was not forthcoming, as the Restoration political settlement (1876-1923) removed the need for party competition, and consequently left the needs of small farmers unattended. Only in Cataluña, and to a lesser extent Valencia, did regional party politics create these necessary conditions.

**Keywords:** Social capital; Farm cooperatives; Spanish agriculture; rural elites; Catholic Church

**JEL Classification:** H41, N23, N24, N54.

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## **Explaining the presence and absence of Spanish farm cooperatives before 1936: a political economy approach**

**James Simpson and Juan Carmona (Universidad Carlos III de Madrid)**

Spanish farm cooperatives were limited in number and performed poorly before the Civil War. Rather than a lack of trust and social capital, this paper advances two alternative arguments. First, cooperatives often failed to offer the optimal level of scale to farmers for their day-to-day activities. In some case cooperatives were too large, which encouraged more informal forms of organization. When they were too small, greater scale could only be obtained by integrating cooperatives into federations. These required top-down support, which was provided in many European countries by landowners and the Church, as a result of competitive politics, that required them to build mass parties and organize small farmers politically. By contrast in Spain this was not forthcoming, as the Restoration political settlement (1876-1923) removed the need for party competition, and consequently left the needs of small farmers unattended. Only in Cataluña, and to a lesser extent Valencia, did regional party politics create these necessary conditions.

Keywords: Social capital; Farm cooperatives; Spanish agriculture; rural elites; Catholic Church

The modern European farm cooperative movement began in the late nineteenth and early twentieth centuries. It is usually considered as being linked to changes in the nature of farming and growth in market integration, with farmers becoming increasingly dependent on markets for inputs such as credit, fertilizers, and farm machinery, and having to sell their products to consumers living in distant urban agglomerations. The supposedly growing competitive weakness of the family farm was seen by one newspaper as caused by ‘the abuses of buyers and sellers which try to obtain at miserly prices the produce of the countryside, and to sell to the farmer at enormous profits machinery, fertilizers and everything else necessary to live and work on the land.’<sup>1</sup> Producer cooperatives therefore promised to combine the economies of scale necessary to buy farm inputs in bulk, process more cheaply farm output and market it at higher prices, while at the same time maintaining the strong work and entrepreneurial incentives associated with the family farm.<sup>2</sup> Yet despite these advantages, many family farmers in Europe on the eve of the Second World War were not members of a cooperative, and the economic benefits obtained for those that did were usually fairly modest.

A growing literature has tried to explain this apparent failure of cooperatives. In particular, an apparent north-south divide in the geographical distribution of cooperatives, found both within Europe and in individual countries such as Italy or Spain, have led some historians to stress the importance of trust and social capital. Greater levels of trust among villagers, so the argument goes, increased the likelihood that they would create independent associations and cooperatives.<sup>3</sup> Other problems advanced include the allegedly unfavourable nature of some land-tenure regimes; the opposition by rural elites and merchants; the absence of credit markets; political or religious divides; and the difficulties to integrate easily some forms of farm production into cooperatives.<sup>4</sup>

This paper, while linking some of these ideas to our story, considers two very different approaches to explaining the failure of Spanish cooperatives. In the first instance, and building on previous work, we argue that the problems associated with social capital have been exaggerated in the literature, as many farmers throughout the

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<sup>1</sup> *Voz Social* (1922), cited in Castillo, 1979, p.324.

<sup>2</sup> Valentinov, 2007. By contrast, cooperatives since the Second World War have been usually created as marketing associations which allow members to overcome the ‘free-rider problem’ to restrict output and raise prices. Fernández & Simpson, 2017.

<sup>3</sup> Putnam, 1993, ch. 5, Fernández, 2014, and Beltrán Tapia, 2012.

<sup>4</sup> See, for example, O'Rourke, 2007 and McLaughlin, 2015.

country did successfully create village level, ‘bottom-up’ organizations. However these often had to be grouped with other cooperatives in federations to benefit fully from the growing economies of scale and specialist expertise that cooperatives promised. As this required villagers to enter into economic relations with participants that they did not personally know, it required ‘top-down’ support provided by groups such as landed elites, the Church, and political parties. A major reason for the weak performance of Spanish cooperatives was not problems of village social capital, but rather the limited incentives that these different groups had to provide ‘top-down’ support to establish federations. As this paper shows, the objectives of these were often limited to maintaining the *status quo* in the countryside, rather than following ‘proactive’ policies that would have transformed farm and village economies.

A second factor looked at here is the question of farmers’ demand for cooperatives, and whether they were the most efficient form of organization to meet their day-to-day needs. Some of the literature has stressed the importance of different crop-specific characteristics,<sup>5</sup> implying that the nature of technological change and the size of the economies of scale required made cooperatives more suitable for some types of farming than others. We extend these arguments here and suggest that while cooperatives and their federations could offer the appropriate scale and organizational structure for some farm pursuits, this was not true for many other types of farm activities. In these cases farmers often turned to other formal and informal associations which were more appropriate. While cooperatives were simply too large for some needs, increasingly by the interwar period even regional federations proved to be too small for activities such as market intervention, and only national organizations, often backed by the state, were required.

The paper has five sections. It begins by providing a general background to Spain’s farm cooperatives and examines the major arguments in the literature for their poor performance before the Second Republic. The second section looks at the European experience and shows when rural elites, the Church, and political parties had incentives to become involved in providing top-down help to create cooperative and regional federations. Only when these groups were willing to move from a ‘defensive’ mode that simply protected traditional agriculture, to a ‘proactive’ one, which required them to be willing to implement significant changes, could cooperatives make important

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<sup>5</sup> Hoffman & Libecap, 1991, Simpson, 2011b and Fernández & Simpson, 2017.

contributions to the family farm. The last three sections consider the regional experience of cooperatives and farm associations in Old Castile and Navarra; the Mediterranean region (Catalonia, Valencia and Murcia); and finally in Galicia. These examples show that differences in the nature of local politics and land-tenure regimes, the organizational power of the clergy, as well as the distinct nature of farming and access to markets, had important implications for whether farm cooperatives were established, or farmers turned to other forms of organizations.

### **Section 1. The limits to the Spanish farm cooperative movement before the 1930s:**

As in the rest of Europe, the Spanish cooperative movement began in the late nineteenth century, and was linked to changes in the nature of farming and the growing political voice of small farmers. The family farm grew in importance over the half century prior to the Second World War,<sup>6</sup> partly the result of the start of the rural exodus, but also because of its efficiency, given the strong incentives it offered to family labour to carry out farm work diligently and quickly.<sup>7</sup> However, the success of the family farm required limited economies of scale in agriculture, and while this remained largely true even with the new farming methods appearing from the turn of the twentieth century, it increasingly was not the case with the processing and marketing of farm goods, such as in modern winemaking.<sup>8</sup> Farmers who belonged to a cooperative therefore, could theoretically benefit from both the low monitoring costs of family labour on the farm, while at the same time taking advantage of (the economies of scale offered by the cooperative in buying artificial fertilizers in bulk, or) the lower costs and better product quality achieved by using its state-of-the-art processing technologies, or benefit from the higher farm prices that cooperatives' greater market power offered.<sup>9</sup> As one French historian has noted, 'if technical changes – the mechanization of arable and pastoral farming or the drive for ever greater production and productivity, have been the most visible aspect of the transformation of rural France, the spread of new forms of cooperation and association has been no less important.'<sup>10</sup>

Yet with a few notable exceptions, cooperatives enjoyed only limited success in most countries. According to one study, as late as 1930 virtually the only cooperatives

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<sup>6</sup> For Europe, Vanhanen, 1984, and Spain, Carmona, Roses, & Simpson, forthcoming.

<sup>7</sup> Carmona & Simpson, 2012 and Allen & Lueck, 2002.

<sup>8</sup> Simpson, 2000.

<sup>9</sup> Valentinov, 2007.

<sup>10</sup> Cleary, 1989, p.167.

that held a significant market share anywhere were dairies producing butter, amounting to 89 per cent of national output in Denmark, 71 per cent in Sweden, 50 per cent in Ireland, 25 per cent in Italy, 20 per cent in Germany and 8 per cent in France. In France, cooperative wheat producers also accounted for 85 per cent and wine for 25 per cent.<sup>11</sup> This difference between the theoretical economic advantages that cooperatives promised, and their apparently limited contribution across large areas of Europe before the Second World War becomes even harder to understand when it can be shown that a significant number of farmers actually belonged to cooperatives.<sup>12</sup>

In Spain, although the farming press from the turn of the century constantly urged farmers to establish cooperatives, the very great majority of flour mills, olive oil mills, and wineries remained privately owned, while cooperative sales of farm products were virtually unknown. On the other hand, the scattered statistical evidence, despite its severe shortcomings, suggests a more positive picture. Spain's 1906 legislation, which was strongly influenced by the French law of 1884, allowed the creation of agrarian syndicates which, if they met certain conditions, could in turn create their own cooperative and / or *caja* (rural bank).<sup>13</sup>

In the decade following the 1906 Law, the numbers of Spanish cooperatives quadrupled. Attempts were also made to build cooperative federations, and in 1917 the *Confederación Nacional Católico-Agraria* (CNCA) was created, which not only encouraged priests to establish village cooperatives, but also to provide a national leadership, by bringing independent Catholic federations under its centralised control. Between 1917 and 1926, the number of cooperatives tripled, although they then fell sharply over the next decade (Table 1). While the vast majority of cooperatives were not processing or selling farm produce, many did buy fertilizers, and some also provided small amounts of working capital for their members. Therefore if perhaps as many as a fifth of Spain's 2.5 million farmers in the early 1930s belonged to a cooperative, their economic contribution to the family farm appears limited.

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<sup>11</sup> Fernández, 2014, Table 6. The high wheat figure was because of strong state intervention. Chatriot, 2016.

<sup>12</sup> Doving, 1965.

<sup>13</sup> Confusion exists over the exact numbers of cooperatives (as oppose to syndicates), as well as the numbers of independent *cajas*, as opposed to those cooperatives which had their own *caja*. Most *cajas* appear to have depended almost exclusively on their own members' deposits, and therefore were not true savings banks.

Table 1  
Estimates of cooperatives and CNCA membership, 1907-1937

	CNCA			All cooperatives	CNCA cooperatives as % of total	Number of credit Cooperatives
	Cooperatives	Members	Federations			
1907				433		
1916				1,754		
1919	3,143	500,000	57	3,471	90.6	503 (1918)
1923	3,212			5,180	62.0	499
1926	3,034			5,821	52.1	
1929	2,276	200,000				
1933	1,902			4,266	44.6	646
1937	2,700		41			

The CNCA was founded in 1917. (Garrido, 1994a), p.84 and (Castillo, 1979), pp.115, 275 and 475 and (Martínez-Soto & Martínez-Rodríguez, 2012), Table 2.

In fact, figures for cooperatives and their membership are almost certainly inflated. For the CNCA, which was the only organization that actually published figures on something of a regular basis, there were strong incentives to add new cooperatives to the lists when they were legally established (even if still not operational) for propaganda purposes, but none to remove them if they ceased to operate, or their membership declined.<sup>14</sup> As information on other federations is much scarcer, the history of Spanish cooperatives is often told only in terms of CNCA, although by the 1930s they represented only half the total (Table 1).

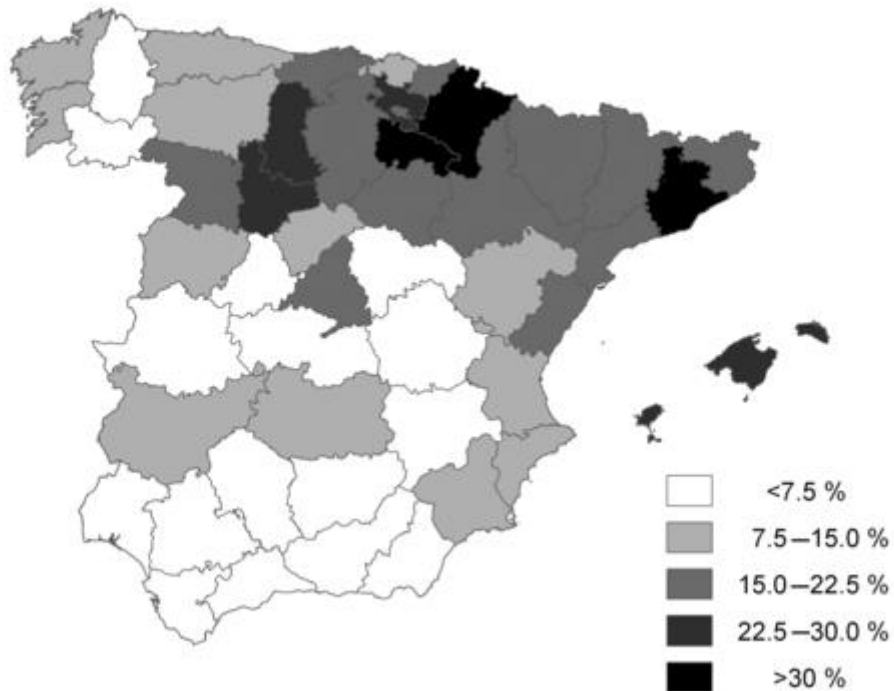
The figures also suggest significant regional differences, with most cooperatives found in the northern half of the country. The historical literature has usually explained this geographical concentration in two different ways. First, using ‘bottom-up’ arguments that suggest that there was a supposedly lack of trust among farmers originating from weak social capital, especially in southern Spain, which reduced their ability to cooperate. Therefore Beltran argues that the greater persistence of common lands in northern Spain provided a useful stock of social capital that could be exploited by villagers to create cooperatives in the early twentieth century and explains their

<sup>14</sup> See especially Castillo, 1979, pp.107-11.



greater density (Map 1).<sup>15</sup> However if cooperative density is calculated by using the number of farmers, a more appropriate indicator than the total farm population, their predominance in Northern provinces is reduced somewhat (Map 2).<sup>16</sup>

Map 1. Agrarian cooperatives in the mid-1920s.



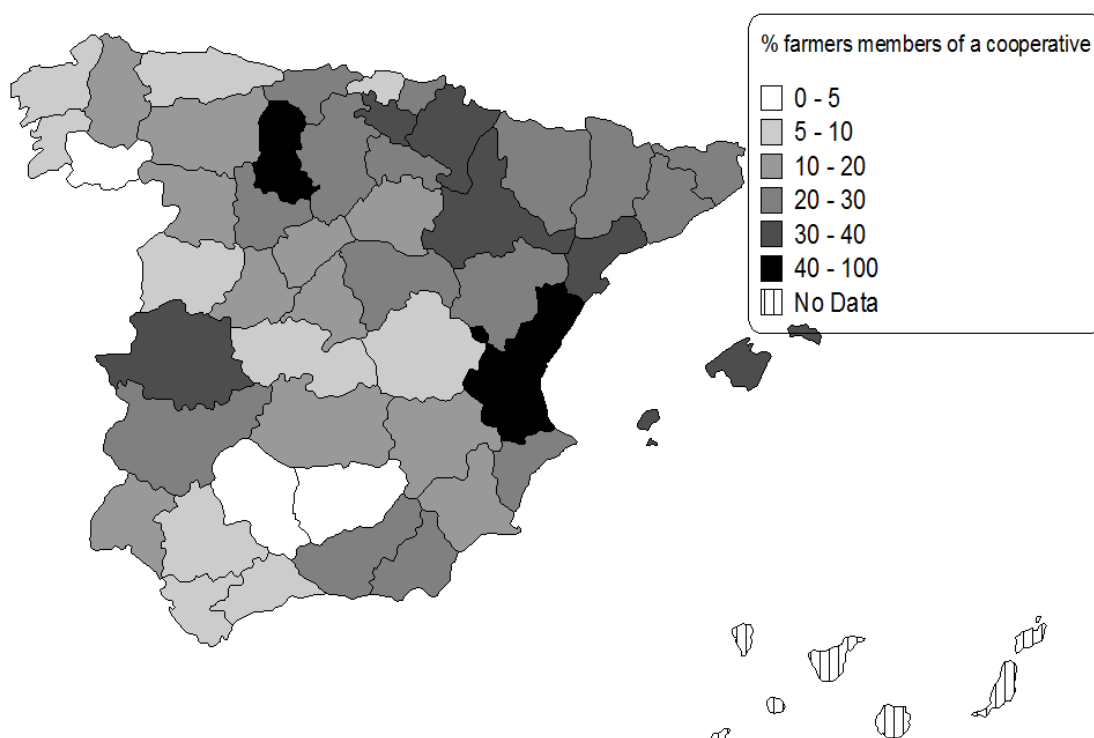
Source: Beltrán Tapia, 2012, p.513. Members of agrarian cooperatives over agrarian population.

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<sup>15</sup> Beltrán Tapia, 2012.

<sup>16</sup> This error is also found in Carmona & Simpson, 2003, Table 8.2.

Map 2. Percentage of farmers who were members of a cooperative in 1933<sup>17</sup>



Sources: Farmers (landowners and tenants) in 1930, in Carmona et al., forthcoming; members of cooperatives in Spain. Ministerio de Agricultura, 1934.

Notes: Figures for Navarra include members of rural *cajas* for 1926, as the legal form of syndicates for this province was different to elsewhere Muñiz, 1926.

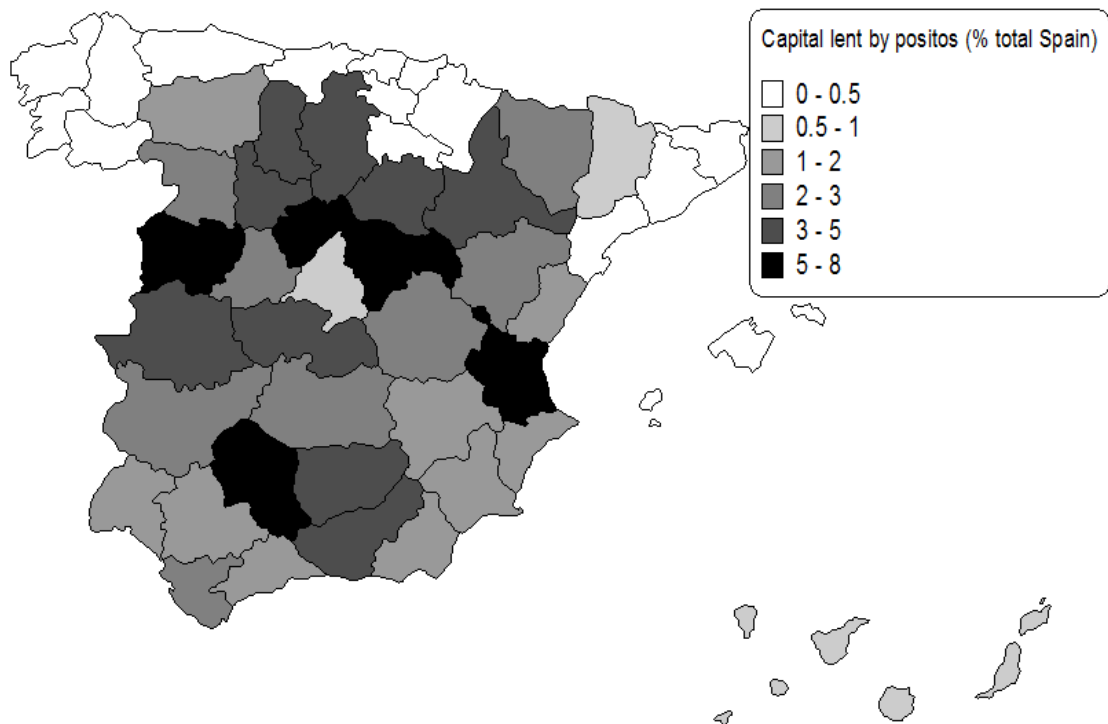
Other indicators also point to greater social capital in regions outside the north than is usually believed. Not only did the strong labour mobilizations of 1917-9 and 1931-3 suggest that collective action was possible among workers, especially in central and southern Spain, but the continued presence of public granaries (*pósitos*) run by village councils that had been established in the eighteenth century or earlier, were also strong in these regions (Map 3).<sup>18</sup> Although *pósitos* were usually found in dry-farming cereal provinces, explaining their almost total absence in coastal regions in northern Spain, a successful village *pósito* in the early twentieth century appears to reduce farmers' interest in creating a credit cooperative.<sup>19</sup>

<sup>17</sup> Strictly speaking Tables 1 and 2 show the number of syndicates, rather than cooperatives. There are no independent figures for cooperatives.

<sup>18</sup> Carmona & Simpson, 2017.

<sup>19</sup> In Valladolid, for example, there was a 70% possibility of a credit cooperative being established in a village where the *pósito* lent to only 20% of households, but only a 20% chance when 70% of households received a loan. Carmona & Simpson, 2017.

Map 3. Geographical distribution of capital lent by pósitos in 1923 (% of total in Spain)



Source: Inspección General de Pósitos, 1924, p. 60.

A second type of argument points to possible ‘top-down’ failures. As will be shown, the Church hierarchy was often blamed for showing greater interest in the spiritual needs of the family farmer, rather than responding to their economic demands. In addition, although the CNCA was an important driving force behind the creation of village cooperatives, and the organization of regional (diocesan) federations, its influence varied considerably across the country (see below). If the Church was a reluctant player, the Spanish landed elite, not only often failed to help small farmers, but sometimes placed obstacles to protect their own lucrative businesses in the countryside.<sup>20</sup> In addition, Spain’s political parties were seen as being irrelevant to the cooperative movement, and this resulted in a disinterest in providing the necessary resources for state involvement.<sup>21</sup> However, what is not usually explained in the literature is why these different actors were willing to help farmers build strong cooperatives movements in countries such as France, but not Spain in the interwar period.

<sup>20</sup> Simpson, 1995, pp.229-30.

<sup>21</sup> Besley & Persson, 2011, Chapters 1 and 2 for a discussion when governments are willing to commit resources to state building.

## Section 2. Explaining weak ‘top-down’ support for cooperatives

Farm cooperatives offered two very different types of goods: those that reinforced the independence of the family farm such as cheap credit or fertilizers, and those that changed the nature of farm organization by requiring farmers to work with others in joint-activities such as cooperative dairies or wineries. It is this second activity which needs considering. Cooperatives might provide the external economies of scale which small farmers lacked, but for many activities this scale was often less suitable. Small, informal groups of farmers were often more appropriate to purchase a piece of farm equipment than a cooperative, while low prices was the single greatest problem facing cereal producers in the late 1920s, which could not be resolved even by strong regional federations. Cooperatives in Spanish rural society, as elsewhere, were therefore just one of a wide variety of organizations that farmers could use to maintain competitiveness.

In Europe three major groups were often involved in helping to organize farm cooperatives: the rural elites, political parties, and the Church.<sup>22</sup> The reasons for their involvement varied significantly, both across and within countries. For convenience, although with some inevitable overlapping, three distinct motives can be identified for outside groups to help organise village cooperatives into federations: economic, political, and ideological (Table 2).

Table 2. Motives for rural elites, political parties, and the Church to support cooperatives

	Defensive	Proactive
Economic	Arrest the rural exodus	Improve market efficiency and / or increase competitiveness of family farm
Political	Maintain traditional patron-client networks	Attract new groups for voting as franchise is widened
Ideological	Defend a religious or	Extend influence among

<sup>22</sup> Competition between political parties also led to the state becoming increasingly involved. See, for example, Sheingate, 2001.

(Catholic, conservative, socialist republican)	political belief	lost clients or capture new ones
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The strategies followed by the different groups inevitably changed over time, especially given the major economic and political upheavals during the half century prior to the Great Depression. On the one hand, groups often had to shift from ‘defensive’ intervention, where the interest was limited to maintaining the *status quo* in the countryside, to a ‘proactive’ mode that aimed to reverse changes that had taken place, or to accelerate them in new directions, in response to the increased political voice of small farmers and their ability to use markets rather than rely on traditional paternalistic arrangements. In addition, there was a greater emphasis on the ‘economic’ factors, and less on the ‘ideological’ and ‘political’ ones. On the other hand, changing political opportunities and threats at the national level also had major implications on how the different groups saw the need to organize small farmers. To understand when these groups were willing to organize family farmers, we also need to know what drew them originally into national politics. We start by providing a brief sketch for Europe, before looking in detail at the Spanish experience.

Following Stathis Kalyvas, neither the Church nor rural elites actually wanted to become involved in national politics.<sup>23</sup> However, in countries as diverse as Belgium, the Netherlands, Austria, Germany and Italy between 1870 and 1920, the Catholic Church was forced to respond to Liberal anticlerical attacks, while the traditional rural elites found their control and patronage in village politics threatened by the rising industrial and urban bourgeoisie, that ‘stood for state rationalization and centralization’.<sup>24</sup> Given the significant heterogeneity of farming systems and land-tenure regimes, and the essentially local nature of patron-client networks, the landed elites found it difficult to organize politically across large areas. Therefore, in what was supposed to be a temporary alliance, the Church contracted out to the Conservative elites their political struggle against anticlerical reforms, in exchange for the Church mobilising the voters.<sup>25</sup> It proved to be highly successful. However, as Kalyvas stresses, for the Catholic hierarchy, the creation of a new platform for lay and clerical activists inevitably

<sup>23</sup> This paragraph is based on Kalyvas, 1996.

<sup>24</sup> Kalyvas, 1996, p.51. See also, Boone, 2014, for the links between provincial rural elites, state building and conflicts.

<sup>25</sup> Kalyvas, 1996, p.105.

diminished their power, while the conservative elites, especially in countries such as France or Italy, were often unhappy at forging close links with the Church. With time, lay Catholics and lower clergy looked to remove the restricted influence of the episcopate and traditional conservative elites, thereby creating secular Christian Democratic parties that ‘did not carry the baggage of aliberalism, intolerance, and dependence on the Church.’<sup>26</sup> From the turn of the century, if not before, peasants in these countries enjoyed competitive politics based on ideology rather than systems linked solely to personal interests. As Kalyvas writes, ‘together with Socialist parties, although before them, Catholic movements were the winners of mass politics’.<sup>27</sup> Small family farmers benefitted not only from belonging to dynamic village associations and cooperatives but, by being integrated into confessional parties, they also enjoyed much greater voice. The negotiating position of the family farm in these countries increased significantly.

France took a slightly different route, as no confessional parties emerged during the Third Republic. However, a deep ideological divide and political competition existed between those that wanted to restore the monarchy and those who defended the Republic, which led to a greater political voice for small farmers, while the increasingly centralized liberal state threatened both the influence of the rural elite in the countryside, and the position of the Church in French society. As Jules Ferry famously declared, ‘the republic will be a peasants’ republic or it will cease to exist’<sup>28</sup>, while the political scientist, Sheingate, has recently written:

Like the creation of an independent Ministry of Agriculture, the development of farm groups in the late nineteenth century reflected the same struggle for republican control of rural France. Agricultural syndicates – organisations for the purchase of farm inputs, rural credit, and crop insurance were the result of direct and indirect state action designed to bolster republican political success in the countryside.<sup>29</sup>

Even more successful were the powerful conservative and anti-republican organization, the *Société des agriculteurs de la France* which, according to one militant in 1910, found cooperatives ‘a marvelous instrument to maintain the religious fervour of our peasants, to improve their living conditions and to prevent the iniquitous spread of socialism into our tranquil villages’.<sup>30</sup>

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<sup>26</sup> Kalyvas, 1996, p.1 and Table 1.

<sup>27</sup> Kalyvas, 1996, p.93.

<sup>28</sup> Cited in Wright, 1964, p.13.

<sup>29</sup> Sheingate, 2001, p.65.

<sup>30</sup> Barral, 1968, p.107 and *Bulletin de l’Union Catholique Aveyronnaise*, both cited in Cleary, 1989, p.34.

The success of France's cooperative movement can be explained therefore by the competition between these different groups, which required them to shift from 'defensive' to 'proactive' modes to help small farmers. The numbers of cooperatives increased from 2,069 with 512,000 members in 1900, to 15,000 and 1.5 million respectively by 1929.<sup>31</sup> The period between 1918 and 1930 in particular was a 'golden age', as their powerful regional organizations led to rapidly growing numbers, and the provision of a wide range of services, including cooperatives, mutual insurance groups and agricultural credit.<sup>32</sup> Large national confederations were built around commodities such as sugar beet (1921) and wheat (1924) and, although organized by large producers, their success as lobbies depended on their ability to attract significant numbers of small farmers. Increasingly they sought to obtain 'fair prices' and create more rational marketing systems by holding back surplus production, which required new institutional relations and greater government market intervention.

France was not an exception in having rural elites, the Church, and political groups competing to represent small farmers, and set up cooperatives. In Italy in the early 1920s three groups attempted to organize small farmers, the *Lega Nazionale delle Cooperative* (socialist), the *Confederazione Cooperativa Italiana* (Catholic), and the *Sindacato Italiano dell Cooperative* (fascist), although Mussolini ended competitive politics, slowing the growth of the cooperative movement.<sup>33</sup>

In countries such as France or Italy, the rural elites, Church, and political parties therefore helped family farmers create producer and credit cooperatives in response to changing political opportunities and demands. These political incentives failed to materialise in Spain, partly because electoral fraud made party competition unnecessary before the Second Republic, but also because of deep divisions within the Church. The political stability provided by the 1851 concordat and the 1876 constitution established both the Monarchy's and the Church's relations with the state, at least until the dictatorship of Primo de Rivera in 1923. The political stability of this 'Restoration settlement' implied that neither the rural elites nor the Church had to participate in mass politics, as there were no competitive elections. Power switched between the two major political parties (liberals and conservatives) because of an agreement whereby the outgoing party handed power to the other *before* the election, which allowed it to then

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<sup>31</sup> Sheingate, 2001, p.92.

<sup>32</sup> Cleary, 1989, p.3.

<sup>33</sup> Simpson, 2000, p.116. For the importance of northern Italian civic associations, see especially Putnam, 1993, ch.5.

manipulate the results. Indeed, this system perhaps even strengthened the political position of the rural elite, as they played a crucial role in “organizing” local elections in response to demands from Madrid, using a combination of patronage, fraud, and outright threats.<sup>34</sup> By contrast, Spain’s socialists, at least until the Second Republic, showed no interest in organizing small farmers (as oppose to landless labourers), while republican groups remained small, and generally concentrated in urban areas.

In Spain, perhaps more than in any western European country, the Catholic Church was deeply divided. The divisions date from the beginning of the nineteenth century and were caused by how to respond to the development of a modern, liberal, centralized state. Following three major civil wars, the state was able to control the Church’s hierarchy through the concordat and its ability to appoint bishops, but while these were willing to accept the constitutional monarchy, many of the clergy ‘remained steadfast in their opposition to a political system tainted by liberalism’.<sup>35</sup> This was especially true in the traditional ‘Carlist’ regions in northern Spain, where both the clergy and rural elites were deeply involved in village society, and often held radically different views from the Church hierarchy. By contrast, from the nineteenth century over much of southern Spain, the Church had become dependent on the landowners, and ‘thereby forfeited the allegiance of the pueblo’.<sup>36</sup> Although it is difficult to measure this social division, the areas of high densities of parish priests in general coincide with larger numbers of Catholic cooperatives (Map 4).

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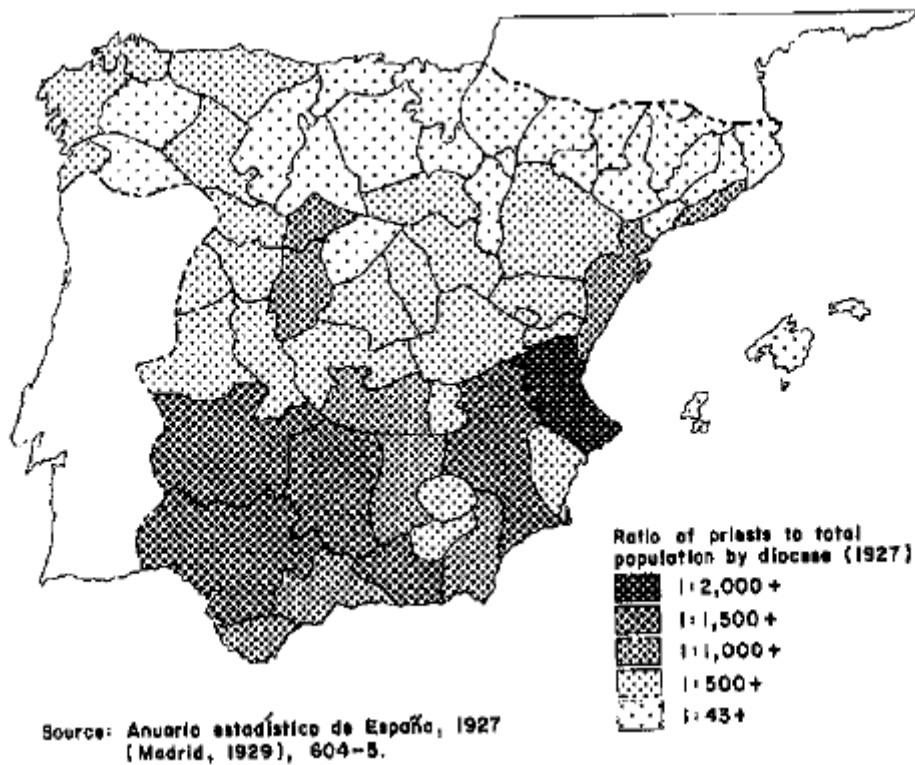
<sup>34</sup> Martínez Cuadrado, 1969 and Varela Ortega, 1977.

<sup>35</sup> The Carlist newspaper, *El Siglo Futuro*, founded in 1874, quickly became the most popular newspaper among Spain’s lower clergy. Callahan, 2000, pp.32-3 and 61.

<sup>36</sup> Pitt-Rivers, 1954: 1971, p.xxi. For the role of the clergy, see especially Callahan, 2000, chapter ix. settlement patterns, with the dominance of small rural villages in the north contrasting with the large ‘agro-towns’ in the south were important.



Map 4. Ratio of priests to total population by diocese in 1927.



Source: Callahan, 2000, p. 193.

In conclusion, the limited needs that rural elites, the Church, and political parties had to attract the support of small farmers is an important explanation for why the cooperative movement was much weaker in Spain than France. Yet as Map 2 shows, although nationally farm cooperatives were of limited importance, there were significant regional differences. If our general argument concerning the weak incentives that these outside groups faced to help form cooperative networks is to be accepted, it also needs to be able to explain these exceptions. These are now considered in the rest of the paper, which links regional differences in ‘top-down’ support with a brief discussion on the extent that local cooperatives could actually resolve farmers’ economic difficulties. Three large regions of small family farms are examined: Old Castile and Navarra and the Mediterranean coast (Catalonia, Valencia and Murcia) where cooperatives enjoyed greatest success, and Galicia, where the movement was surprisingly weak.

### Section 3. Accounting for regional diversity: Castile-Leon and Navarra

At first sight, conditions in both Castile-Leon and Navarra appeared especially favourable to create producer cooperatives, as there was a high concentration of family farmers living in small villages who participated widely in other community-based organizations, such as managing the open fields and common lands.<sup>37</sup> Both regions were also strongly catholic and the clergy played an integral role in village life, while republican and socialist groups were virtually absent outside the provincial capitals. Yet although both regions had a significant numbers of cooperatives by the early 1920s, the movement then stagnated in Castile-Leon.<sup>38</sup> By 1933, only 20 per cent of farmers in Castile-Leon and 35 per cent in Navarra belonged to a cooperative, and most of these held only relatively small amounts of capital (Table 3). Therefore, despite apparently high levels of social capital and an influential Church, the numbers and performance of cooperatives in both regions remained limited. After examining Castile-Leon, we then turn to Navarra.

Table 3. Regional distribution of cooperatives and rural *cajas* in 1933

	Farmers	% of total	No coops	% of total	No of members	% of farmers in coop	No coops with K	No coop > 100,000 ptas	capital coop in 000s ptas	% of total	No of rural <i>cajas</i>	Deposits in rural <i>cajas</i> 000s ptas	% of total
Galicia	363948	13.4	314	7.4	24398	6.7	129	2	828	0.9	8	200	0.2
Valencia	276248	10.2	365	8.6	97610	35.3	277	41	21952	22.6	65	28842	24
Cataluña	209533	7.7	540	12.7	79018	37.7	344	64	27600	28.5	76	8216	6.8
Castile-Leon*	372473	12.1	1256	29.6	72115	19.4	450	11	8397	8.7	124	17092	14.2
Navarra	65168	2.4	81	1.9	22938	35.2	56	4	2474	2.6	34	4524	3.8
Sub-total		45.8		60.2		23.0				63.3			49.0
Spain	2711961	100	4251	100	522414	19.3	2043	179	96926	100	522	120194	100

(\*), includes Logroño, but not Salamanca. For Navarra, See note of Map 2.

Sources: Spain. Ministerio de Agricultura, 1934 and, for estimates of numbers of farms, Carmona et al., forthcoming.

The 1906 Law encouraged a rapid growth in the numbers of cooperatives in Castile-Leon, many of which joined provincial federations, with most of these in turn being absorbed into the *Confederación Nacional Católico-Agraria* (CNCA) after it was

<sup>37</sup> Gallego, Iriarte, & Lana, 2010, pp.85-116.

<sup>38</sup> Between 1917 and 1924, the members of cooperatives in Castilla-León increase from 47,130 to 79,206, and then fell to 72,115 in 1933. See Castillo, 1979, pp.122-3 and Table 3 above.

created in 1917.<sup>39</sup> The CNCA was organised by the clergy and controlled by the Church hierarchy. It was a mixed syndicate, and therefore interested not only in the welfare of small farmers, but also that of landowners and workers, which inevitably on occasions produced conflicts of interest and weakened its activities as a lobby. By 1929, the CNCA represented about three-quarters of all cooperative members in Castile-Leon, leaving few alternative federations for cooperatives to join, thereby restricting competition between different movements.<sup>40</sup> The success of Castile-Leon's farm cooperatives was closely linked to that of the CNCA's performance.

After its initial explosive growth, the CNCA then declined during the 1920s (Table 1). Several explanations can be advanced. First, there were weak incentives for the Church and rural elites to move from a 'defensive' to 'proactive' support for family farmers in the region. For the CNCA's president, Antonio Monedero, the organization's priority was to defend Catholicism, and any economic help offered to the family farm was of secondary importance to this strategy.<sup>41</sup> In this respect, the rising influence of anarchist and socialist trade unions across Spain during the *trienio bolchevique* (1917-19) led Monedero to spend large sums belonging to the Castile-Leon organizations in an attempt to extend the influence of the CNCA to other regions.<sup>42</sup> However, as noted by Pascual Carrión in 1922, once the social unrest had subsided, so too did the CNCA's recruitment drive.<sup>43</sup> The CNCA's decision to move its headquarters to Madrid helped the Church's hierarchy maintain control over policy and propaganda, but did little to help it respond effectively to grass-root demands. The rural elites in Castile-Leon also found few reasons to help organize family farmers, as their support had been already effectively captured during the late 1880s' tariff debates, and their acceptance of the Restoration political settlement assured.<sup>44</sup>

According to most contemporaries, the greatest need of family farmers from the turn of the century was an effective rural bank that could offer them an alternative to the village usurer, who was believed to control the supply of working capital in the

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<sup>39</sup> Castillo, 1979, p.124. The Burgos and Palencia federations were created in 1913.

<sup>40</sup> Castile was also by far the most important region represented by the CNCA accounting, for example, for 28% of all fertilizers bought in 1920 by cooperatives, and 44% in 1928. Castillo, 1979, pp. 276 and 314-5.

<sup>41</sup> Castillo, 1979, pp.143-4 and Callahan, 2000, p.147.

<sup>42</sup> Monedero was subsequently sacked by the Church hierarchy for the excessively high levels of expenditure on propaganda outside the region Castillo, 1979, pp.147, 150 and 166-7.

<sup>43</sup> Castillo, 1979, p.197.

<sup>44</sup> Large landowners' organizations remained closely linked to the CNCA at a national level Castillo, 1979, pp.154-60; Varela Ortega, 1977, pp.269-70 and 278-9.

countryside.<sup>45</sup> Yet in Spain, with the possible exception of the rural banks in Badajoz, neither the elites nor the CNCA were willing to provide the necessary collateral to attract significant amounts of capital for cooperatives to use.<sup>46</sup> In Castile-Leon, the cash deposits per capita found in cooperatives and *cajas* represented little more than the national average, and were only equivalent to those found in the more successful village granaries (*pósitos*) - institutions that had existed since the sixteenth century (Table 3).<sup>47</sup> In fact, most cooperatives only supplied farmers with fertilizers, an input which had become crucial for extending the area cultivated. Cooperatives could buy fertilizers more cheaply than small farmers and helped guarantee their quality at a time when fraud was common.<sup>48</sup> In some cases cooperatives perhaps provided neither the capital nor storage facilities, but simply helped their members to organize collectively to buy fertilizers, an activity which did not need to appear in their accounts.

The failure to create effective cooperative banks was the result not just of the lack of interest of the CNCA and rural elites, but also because of high banking risks produced by market volatility and low cereal prices in the interwar period, which led to some cooperatives going bankrupt (see below).<sup>49</sup> To reduce this market volatility required massive market intervention, which was well beyond the capacity of Spain's cooperative federations. Some of the CNCA leaders did work with the dictator Primo de Rivera in his failed attempt at creating a corporatist state between 1923 and 1929, but it was not until the 1950s that the government was able to intervene in the wheat market effectively.<sup>50</sup> A final consideration is that although the CNCA was a 'mixed' syndicate, it also enjoyed limited success in helping the landless establish a footing on the farm ladder, in part because cereal production took place under dry farming conditions, offering few possibilities for increasing yields through greater labour inputs.<sup>51</sup>

In Navarra, especially in the upland regions, family farmers worked the good arable land, and the considerable areas of hillside pastures were often grazed in common. Landless labourers were virtually unknown. Here, the 'moral leadership of the

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<sup>45</sup> See, for example, Senador Gómez, 1915: 1993, pp.111-19.

<sup>46</sup> Badajoz in the Extremadura region, and banks linked to rural elites that were independent of the CNCA. See Simpson & Carmona, in preparation, chapter 5.

<sup>47</sup> Cereals accounted for about half of farm output in 1930. A few attempts were made to build cooperative granaries, but these faced fierce opposition from established merchants. For the *pósitos*, see especially Carmona & Simpson, 2017.

<sup>48</sup> Simpson, 1995, p.119.

<sup>49</sup> Castillo, 1979, pp.145-50.

<sup>50</sup> See especially Pan-Montojo, 2002 and Barciela López, 1985.

<sup>51</sup> For the CNCA, Castillo, 1979, pp.234-54, and dry-farming and the Great Depression, Simpson, 2017.

local community' remained in the hands of the clergy and 'a rather modest upper class'.<sup>52</sup> Although Carlism had been defeated as a military force in 1876, local society rejected liberalism and the Restoration political settlement. Therefore the two driving forces behind the province's cooperative movement were a highly traditional, but dynamic, clergy that was central to village society, and rural elites such as the Vizconde Val del Erro, who not only was a Carlist senator in Madrid, but also president of Navarra's cooperative federation. This was federated with the CNCA, and therefore controlled by the Catholic hierarchy, but Navarra's Carlist tradition ensured that it maintained significant operational independence,<sup>53</sup> while the region's special tax status permitted greater more freedom from Madrid. Navarra's religious and political cohesion suggests that cooperatives would make important economic contributions to village society.

Yet, just as in Old Castile, the contribution appears disappointing, with the most successful activity once again being bulk purchases of fertilizers, which increased from 860 to 5,600 tons between 1910 and 1923.<sup>54</sup> Some attempts were made to organize sugar beet producers, but no granaries or flour mills were built, and few wineries.<sup>55</sup> The endeavours to attract outside finance and create internal sources of credit were also disappointing. Therefore, cooperatives appear to have offered farmers few material rewards despite the presence of high levels of social capital, and a clergy and rural elites that were willing to contribute to the top-down organization. Rather than an organizational failure, it seems that the levels of scale that cooperatives and their federations offered farmers were inappropriate for most of their needs.

In the first instance, the potential economic contribution of cooperatives was often greatest for crops with high value added and produced relatively close to large urban markets, or with access to export markets. In general this was not the case for farmers in upland Navarra. A more important factor concerns the risk of examining cooperatives in isolation, especially in Navarra's closely knit, dynamic village societies. Indeed, as Majuelo and Pascual argue, the appearance of cooperatives was closely linked with defending village lands against privatization, an important factor even in the

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<sup>52</sup> Pitt-Rivers, 1954: 1971, p.xxi. However, on the fertile lowlands, landownership was more concentrated and support for the Restoration settlement stronger.

<sup>53</sup> The Federation was organized by leading Carlists, with decisions taken by majority voting and, after 1922, the bishop's representative ceased to have the right to veto. Majuelo & Pascual, 1991, p.66.

<sup>54</sup> Majuelo & Pascual, 1991, p.148.

<sup>55</sup> The two wineries in Navarra in 1933, were Cintruénigo (founded in 1927) and San Martín de Unx (1914).

1920s,<sup>56</sup> while the Church in the 1930s, despite its usual reluctance to interfere in the contentious issue of property rights, supported Navarra's Cooperative Federation's efforts to recover those common lands that had been sold.<sup>57</sup>

#### **Section 4. Accounting for regional diversity: the Mediterranean experiences**

The Mediterranean provinces were distinctly more urban and commercial than those of the interior, and a flourishing trade in farm products helped to shape urban-rural economic relations. Large property was common, but the land was usually worked as family farms under highly localized land-tenure regimes. The mild climate, and the presence of irrigation in Valencia and Murcia in particular, allowed a wide variety of crops to be grown. The early industrialization in Barcelona and growing urbanization led to the emergence of dynamic labour movements, dominated by anarchists in Barcelona, and socialists in Valencia. Republicanism was also present in urban areas, and a strong nationalist movement appeared in Catalonia, and a Catholic one that demanded greater self-government in Valencia, all rejecting the Restoration settlement. Therefore unlike Castile-Leon and Navarra, competitive regional politics helped shape farm organizations, and as urban politics invaded the countryside, politicians had to respond to the demands of small farmers, including conflicts over land-tenure relations.

Cataluña enjoyed one of the highest penetration of cooperatives in the country, and their success can be explained by competitive regional party politics, rather than the Church, even though this continued to remain close to the rural population, and the clergy were often Catalan speaking.<sup>58</sup> Local landowners and farmers began to organize from the late nineteenth century in response to the threats caused by cheap imports and the destruction of vines by phylloxera. They used state legislation to create agricultural chambers at the district level to organize thousands of owners and tenants.<sup>59</sup> These pressure groups were led by big landowners, and resulted in the formation of a conservative regionalist political movement (*Lliga*), which captured the vote of many small farmers before the Second Republic.<sup>60</sup> The *Lliga* was behind the regional organization that grouped the representatives of the four Catalan provinces into a single administrative unit (*Mancomunitat*) that helped organize and finance farm

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<sup>56</sup> Majuelo & Pascual, 1991, pp.165-9 and Beltrán Tapia, 2012, p.516.

<sup>57</sup> In particular, the owners of the *corralizas*, or disentailed estates sold in the nineteenth century, were opposed Carlism. Majuelo & Pascual, 1991, pp.182-3.

<sup>58</sup> Pomes, 2000, pp.179 ss; Callahan, 2000, pp.158-62, and Lannon, 1987, pp.141-2.

<sup>59</sup> Ramon i Muñoz, 1999, p.18 and Planas, 2013, pp.103-7.

<sup>60</sup> Riquer, 2001, p.210 and for Lerida after 1917, Ramon i Muñoz, 1999, p.17.

cooperatives.<sup>61</sup> This explains the development of increasing numbers of specialist cooperative federations, not just for wine production, but also early potatoes and other vegetables, often for export. These attracted many small farmers and culminated in the creation of the *Unión de Sindicatos Agrícolas de Cataluña* at the beginning of 1931.<sup>62</sup> The landowners' leadership however did not go uncontested. In the most important winegrowing regions, a sharecropping contract – the *Rabassa Morta* – was widely used and proved particularly contentious during the first third of the twentieth century, a time of low wine prices. Sharecroppers (rabassaires) helped to establish the political party, *Esquerra Republicana de Catalunya* and, with urban republicans, enjoyed significant electoral success in the 1930s.<sup>63</sup> Given their own organizing capacity and political success, the *rabassaires* movement rejected the 'mixed' cooperatives of the landowners, but their own cooperatives enjoyed only limited success before 1936.<sup>64</sup>

The cooperative movement in the Valencian region, comprising of the provinces of Castellon, Valencia, Alicante and Murcia, was also relatively successful. By 1933, although the number of cooperatives per thousand farmers was lower than the national average, they were much larger and 35 per cent of farmers belonged to one. They also handled considerably more capital (almost a quarter of the national deposits of those cooperatives with over 100,000 pesetas in 1933), with the region's rural *cajas* accounting for a similar figure. Historians have often explained this success by the presence of high levels of social capital, partly created by the presence of complex irrigation systems, some dating from the Middle Ages. Other factors include the predominance of family farmers (both owners and tenants), and the high usage of artificial fertilizers in areas of commercial agricultures. Large landowners were interested in promoting agricultural advances, especially in the export sector, but the Church was divided, and its influence declined after the First World War.<sup>65</sup> Yet despite this interest, the Church, landowners, and republican associations all failed to build strong regional cooperative federations.

The poor performance of Catholic organized agrarian syndicates in particular needs to be considered.<sup>66</sup> At the end of the nineteenth century, Catholic social reformers

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<sup>61</sup> Casanova i Prat, 1998, pp.396-408.

<sup>62</sup> Pomes, 2000. Planas, 2008, cites the examples of Catholic and Republican cooperatives that left their respective federations to join more professionally orientated ones.

<sup>63</sup> Riquer, 2001, p.211 and Balcells, 1980, pp.150-1. Carmona & Simpson, 1999a, for the *Rabassa Morta*.

<sup>64</sup> Conflicts date from after 1918. Pomes, 2000, p.506.

<sup>65</sup> Valls, 1992, p.23 and Martínez Gallego, 2001, pp.52-60.

<sup>66</sup> Martínez Gallego, 2010, p.227.

in Valencia, encouraged by the Church hierarchy, were perhaps the most dynamic in the country.<sup>67</sup> However Catholics in the region became divided between those who were closely linked with the Church hierarchy and therefore willing to accept the Restoration party system and the cacique oligarchy, and the Carlists, who rejected the liberal political settlement and were interested in regional questions.<sup>68</sup> One area of discontent was the influence of the CNCA, which was associated with the Catholic hierarchy and controlled by the cereal lobby in Castile-Leon, whose interests, as in Galicia or Catalonia, often clashed with those of Valencia's farmers.

The regional Catholic cooperative movement grew rapidly, and was initially the most important in Spain, overtaking that of Castile-Leon in 1912. However, the First World War saw an increase in risk taking,<sup>69</sup> and high farm prices encouraged farmers to mobilize and create cooperatives to bulk buy fertilizers and export their crops, with the number of syndicates peaking at 256 in 1920. Some of these borrowed heavily from local *cajas*, leading to the Valencian federation, which lacked resource of its own, to become heavily indebted to the CNCA. The economic consequences following the collapse of farm prices after the First World War led to many of the Valencian cooperatives going bankrupt, just as it did for other dynamic federations, such as that of Rioja in Castile-Leon.<sup>70</sup> By 1929 the numbers of the region's syndicates had more than halved, with only a quarter being Catholic, and these accounted for just a third of their membership in 1933.<sup>71</sup>

Despite its initial success, Catholicism was not a decisive force for the development of a cooperative movement in the Valencia region, and landowners played almost as important a role as in Catalonia. Some attempts were made to use regionalism (or foralism) against the dynastic parties, but this was insufficient to articulate an organization that could federate the different local syndicates as effectively as in Catalonia.<sup>72</sup> In fact the most successful federation, the *Federación Agraria del Levante* (FAL) founded in 1901, played a very limited role and was unable to overcome intra-

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<sup>67</sup> The early interest of Valencian hierarchy on agrarian questions and its national leadership until 1912 in Martínez Gallego, 2010, p. 231; and Del Valle, 1947, 241-3.

<sup>68</sup> Millán, 1997. From 1907 the Carlists were unwilling to form electoral pacts with the *Liga*. Valls, 1992, 36.

<sup>69</sup> Cuesta, 1978, p. 111, notes that the CNCA was no different to other economic groups that became overexposed during the war years.

<sup>70</sup> Especially in 1921, Castillo, 1979, p.147 and Garrido, 1987.

<sup>71</sup> The number of cooperatives fell from 301 in 1920, to 127 in 1929. Castillo, 1979, p.125 and Martínez Gallego, 2010, p.246-7.

<sup>72</sup> Attempts at political coordination by the *Derecha Regional Valenciana* in Valls, 1992, pp.56-58 and Martínez Gallego, 2010.



provincial and sector rivalries, resulting in the most successful local cooperatives actually exiting the FAL.<sup>73</sup>

Given its high level of farm specialization, a major mobilizing factor was the different sectoral crises. The *Unión de Viticultores de Levante*, a body similar to the *Unió de Vinyaters de Catalunya*, was created within the FAL, and represented 150 syndicates by 1929.<sup>74</sup> Although only nine per cent of wine-making was carried out in cooperatives, distilleries were built in the larger urban areas by the *Unión*.<sup>75</sup> These two lobbies combined to establish the *Confederación Nacional de Viticultores*, although its influence remained limited given the wine exporters' success in protecting the legal use of cheap industrial alcohol to strengthen their wines.<sup>76</sup> Interest in creating cooperatives for exporting oranges also fluctuated, increasing during the cycles of low prices or poor harvests, but falling when conditions improved. Orchards were very small, and cooperatives never resolved the fundamental problem of controlling product quality among the large numbers of growers, and the share of exports sold through cooperatives remained minimal.<sup>77</sup>

## **Section 5. Galicia.**

Galicia demonstrates once again that social capital is insufficient on its own to explain a region's limited cooperative movement, as collective action among farmers was strong, but took other forms, and included the country's most successful farmers' protest movement during the first decades of the century.<sup>78</sup> Just as in Castile and Leon, the predominance of small family farms and presence of a highly influential Church and active village clergy might have been expected to favour cooperatives. Yet, as Table 3 shows, Galicia had 13.4 per cent of Spain's farmers, but only 4.7 per cent of its cooperative members, and handled very small amounts of capital (just 0.9 per cent of capital deposits, while its *cajas* had only 0.2 per cent of the country's deposits). Cooperatives remained weak because of the Church's reluctance to help organize

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<sup>73</sup> The FAL in Martínez Gallego, 2010, and Martínez Soto, 2000. For the difficulties to federate cooperatives, Garrido, 1996; the conflicts between provinces, in Martínez Gallego, 2010.

<sup>74</sup> Martínez Gallego, 2010, p.234.

<sup>75</sup> Martínez Gallego, 2010, pp.236-9.

<sup>76</sup> Fernández, 2008.

<sup>77</sup> Carmona & Simpson, 2003, pp. 251-3 and Garrido, 2014.

<sup>78</sup> The case of Ribadeo shows how professional interests dominated, as the Catholic cooperatives integrated in a federation controlled by non-Catholics in 1928, although this used the services of the Madrid's conservative *Asociacion de los ganaderos del reino* to sell their animals. Lombardero Rico, 1997, pp.540 and 544.

farmers when property rights were questioned, while emigrants in the Americas sent significant amounts of capital, thereby reducing farmers' dependence on both the Church and rural elites.<sup>79</sup> As livestock products accounted for 44 per cent of farm output, most farmers were interested in cheap cattle feed, which also reduced the influence of the CNCA and its support of the cereal lobby.<sup>80</sup>

In contrast to the Mediterranean regions, landowners in Galicia were generally unwilling to provide the leadership to build cooperative federations because farm politics were dominated by the *foro* question. Unlike the *rabassa morta*, landowners were rentiers and totally divorced from the production process.<sup>81</sup> From the 1890s tenants demanded the right to purchase their land and a strong movement led to rent strikes and occasional violence, before the legal right to redemption was granted in 1926.<sup>82</sup> The *foro* movement was supported by republicans, liberals, and emigrants, but also attracted large numbers of Catholic groups, such as those led by the priest Basilio Alvarez, as well as Carlists, who were strong in the region.<sup>83</sup> By contrast, the Church hierarchy initially opposed the movement, thereby siding with conservatives and the local *caciques*, or political bosses.<sup>84</sup> In time, however, it too supported a moderate project that would eventually form part of the 1926 law.<sup>85</sup> However, according to Vázquez de Mella, an influential Galician Carlist who favored agrarian syndicates, many parish priests actually sided with the *caciques*, and therefore opposed them.<sup>86</sup>

The Church's influence was limited not just for ideological reasons. Although it had played a major role in the rapid growth between 1918 and 1921, most of the 486 cooperatives achieved little, and the movement declined in the 1920s.<sup>87</sup> As elsewhere, the smaller cooperatives appear to have suffered from management problems which

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<sup>79</sup> Villares, 1982.

<sup>80</sup> Simpson, 1995b, Simpson, 2001, p.116, and Miguez Macho & Cabo Villaverde, 2010, p.237.

<sup>81</sup> See Carmona and Simpson, forthcoming.

<sup>82</sup> In fact, helped by growing livestock sales and emigrants' remittances, many had already been bought. Villares, 1982.

<sup>83</sup> The republicans created *Solidaridad Gallega*, which had around 400 agrarian organizations between 1907 and 1911, copying the Catalan model (*Solidaritat*), with the objective of displacing the two Restoration political parties and end the *foro*. However, despite a successful grassroots movement, they did not create large cooperative federations as in Catalonia. Cabo Villaverde, 2006, p. 254. The number of organizations in Pomes, 2000, p.114, and failure in Cabo Villaverde, 2006, p. 238.

<sup>84</sup> Lombardero Rico, 1997, 537-49, gives the example of successful Catholic cooperative in Ribadeo, where the absence of *foros* avoided farmers' hostility.

<sup>85</sup> Martínez López, 1989, pp.189-90.

<sup>86</sup> However, it is not clear whether this refers to them opposing just clerical cooperatives, or all cooperatives. Rodriguez Lago, 1997, p., 322.

<sup>87</sup> Miguez Macho & Cabo Villaverde, 2010, for the success of the antiforo movement; Martínez López, 1989, p.65, for the drop in the number of cooperatives.

were not resolved by their federations.<sup>88</sup> The growing complexity of farm activities required technical support, but the cooperatives were often staffed by individuals involved in the Church's social work.<sup>89</sup> The activities of most Catholic cooperatives therefore remained limited and can be illustrated by the fact that a single, non-Catholic cooperative in the municipality of Betanzos (La Coruna) distributed 220 tons of fertilizers annually among its 250 members, compared to the 860 tons that were supplied by all Galicia's Catholic cooperatives in 1929.<sup>90</sup>

Once again the scale of village-level organizations appears far too small to create an efficient marketing system to resolve the problems of the region's principal commodity, live cattle. Cooperative sales failed because of the difficulties of concentrating sufficient numbers of animals at railway stations, and because cooperative member sold their best animals privately.<sup>91</sup> The ambitious project to build a cooperative slaughterhouse in Porriño failed for similar reasons, as well as the opposition of private merchants, and difficulties for members to monitor the cooperative's activities.

The 1933 figures show that cooperatives and *cajas* held few financial reserves but, as noted above, it is likely that some organized a variety of activities privately, such as buying fertilizers in common, providing legal advice,<sup>92</sup> or mutual insurance, pursuits which did not have to appear in the accounts.<sup>93</sup> Furthermore, there is considerable evidence that Galician farmers cooperated widely among themselves, both formally and informally. Livestock improvements at this time included selective breeding; the adaptation and diffusion of hybrid maize; improvements in pasturelands; and veterinary services, all of which were provided by a mixture of public (municipal) and private bodies.<sup>94</sup> The strong regional identity led to a number of government sponsored organizations – the *Escuela de Veterinaria* (1882), the *Granja Agrícola Regional* (1888) and the *Misión Biológica* de Galicia (1921) being well supported, and playing important roles in the local agriculture.<sup>95</sup> Groups of farmers bought fertilizers and farm machinery, sometimes with the support of the middle classes in the small neighbouring towns.<sup>96</sup>

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<sup>88</sup> The Galician federations did not appoint inspectors until 1921-1923. Martínez López, 1989, p. 36.

<sup>89</sup> Martínez López, 1989, pp.37-8.

<sup>90</sup> Fernández Prieto, 1992, p.201.

<sup>91</sup> Martínez López, 1995, pp.165-71.

<sup>92</sup> The syndicate in Enfesta (Coruña), not only helped to resolve legal problems, but offered technical classes and literacy courses. Bernárdez Sobreira & Cabo Villaverde, 1997, pp.341-2.

<sup>93</sup> Lombardero Rico, 1997, p. 544. Fernández Prieto, 1992, p.168, shows that 46% of the 506 agrarian societies created between 1895 and 1936 in la Coruña were for mutual insurance.

<sup>94</sup> Fernández Prieto, 1997, p.139.

<sup>95</sup> Pan-Montojo, 2005, Ch. 5 and 6.

<sup>96</sup> Fernández Prieto, 1992, pp.168, 190 and 213.

Yet the most spectacular success of informal cooperation was the purchase of expensive, modern threshing machines. These were considered crucial to reduce the exceptional labour peaks on the tiny family farms caused by tasks with heavy labour demands coinciding, including milking, harvesting, and hay-making. By the 1930s threshing machines were found in perhaps one, of every two, parishes.<sup>97</sup> These initiatives were local in scope and professional in nature, which helped reduce ideological conflicts among members.

## **Conclusions**

In this paper we have argued that there is insufficient evidence to conclude that the lack of social capital and trust can explain the shortage of effective cooperatives in Spain. Instead, two alternative arguments are advanced. First, cooperatives often failed to offer the optimal level of scale for farmers to carry out their day-to-day farming activities during the first third of the twentieth century. On the one hand, informal groups of farmers were a more efficient alternative for some activities, such as purchasing farm machinery, grazing animals on common lands, or providing mutual help at peak periods of the farming calendar. On the other hand, although a village cooperative could often provide wine-making facilities or organize the bulk buying of fertilizers efficiently, many other activities involved levels of scale that were considerable greater than what a single cooperative could offer, and required the need to integrate numerous cooperatives into federations. This appears to have been especially true in three areas: to capture outside savings which could then be channelled to individual village cooperatives; to enhance the supply of scientific knowledge and marketing information; and to provide effective channels to organize small farmers in their contacts with government, as well as cooperatives helping government intervention in the sector.

Strong, face-to-face trust was needed to create a village cooperative, but this was insufficient to build regional federations of cooperatives. Instead, outside agents were needed to provide leadership and coordinate the federations. Across Europe, three distinct groups were often willing to provide this support: landowners, the Church, and

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<sup>97</sup> Fernández Prieto, 1997.

political parties.<sup>98</sup> In Spain, a number of individuals helped build successfully village-level organizations, but the institutional support needed for strong cooperative federations was largely absent. Unlike many Western European countries, the Restoration political settlement (1876-1923) effectively removed the need for the Church and landowners to build mass parties and organize politically. With the social conflicts during the First World War, the Catholic hierarchy did begin to intervene more actively, but these efforts ended when peaceful conditions returned once more to the countryside, while the collapse in farm prices bankrupted a significant number of cooperatives. Only in Cataluña, and perhaps in the Valencia region, did regional party politics create the necessary conditions for landowners to assume the need to organize family farmers.

Spanish agriculture was undoubtedly poorer because of the lack of farm associations and cooperatives, but this resulted from the persistence of traditional elites and absence of genuine party politics, rather than the inability of small farmers to organise because of a supposed lack of social capital. Unlike France, for example, none of the major groups that helped build cooperative federations – the rural elites, Church, and political parties – played a proactive role in Spain. The only exception was Catalonia, where local politics created a need to organize small farmers. The consequences for Spanish agriculture were twofold. First, most small farmers lacked the economic benefits of cooperative federations, and in particular, a source of cheap credit. Second, with the coming of the Second Republic, the lack of strong local associations proved a barrier to the construction of a democratic political system.

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<sup>98</sup> Although civil servants also sometimes played an important role, governments had first to give them the powers. For a wider discussion of the relationship between political parties and government farm policy, see especially Pan-Montojo, 2005,

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